

## CHAMPVA POLICY MANUAL

CHAPTER: 3  
SECTION: 5.3  
TITLE: REBUNDLING OF PROCEDURE CODES

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**AUTHORITY:** 38 USC 1713; 38 CFR 17.270(a) and 17.272(a)

**RELATED AUTHORITY:** 32 CFR 199.9

**TRICARE POLICY MANUAL:** Chapter 13, Section 1.4

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### I. EFFECTIVE DATE

January 15, 1996

### II. DESCRIPTION

Fragmentation/unbundling is the separate reporting of component parts of a procedure instead of reporting a single code which includes the entire comprehensive procedure. It encompasses surgery, pathology and laboratory charges, radiology and medical. Coding manipulations are often used to inappropriately increase claim reimbursements.

### III. POLICY

A. Rebundling. Fragmentation/unbundling reflects improper reporting of procedures. The allowable charge determination will be based upon the single code which encompasses the procedure. Separate billing of the component parts of the comprehensive procedure will be denied as already included within the allowable charge for the single procedure.

Example:

Proper Billing

58120 -- Dilation & curettage  
(D&C)

Unbundled Billing

57410 - Pelvic examination under  
anesthesia

Plus

57505 - Endocervical curettage

Plus

58120 - Dilation & curettage  
(D&C)

Note: In the above example, only procedure code 58120 would be allowed. Procedure codes 57410 and 57505 would be denied as they are already included in the comprehensive procedure code 58120.

**B. Improper Billing Practice**

Providers with a pattern of billing fragmented claims shall be advised that such practice represents improper billing practices. Fragmentation/unbundling or other "code gaming" practices used to increase reimbursement are improper billing practices and a misrepresentation of the services rendered. Such practices may be considered fraudulent and may result in criminal or civil penalties.

**\*END OF POLICY\***